

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

~~6~~ - ~~2~~ - ~~0~~ - ~~6~~ -

2. STATE:

Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 02 \$ (36,024)b. FFY 03 \$ (144,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 20.13

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):Attachment 4.19-B  
Page 20.13 through 20.13-E

10. SUBJECT OF AMENDMENT:

Reimbursement for Home Health Services.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Review delegated to  
the SO of Department

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Mike Robinson

13. TYPED NAME:

Mike Robinson

14. TITLE:

Commissioner, Dept for Medicaid Service

15. DATE SUBMITTED:

9/26/02

16. RETURN TO:

Department for Medicaid Services  
6th Floor, CHS Building  
275 East Main Street  
Frankfort, KY 40621

17. DATE RECEIVED:

September 26, 2002

18. DATE APPROVED:

November 14, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Rhonda R. Cottrell

21. TYPED NAME:

Rhonda R. Cottrell

22. TITLE:

Associate Regional Administrator  
Division of Medicaid

23. REMARKS:

X. Home Health Agency Services

(1) The following home health services are reimbursed at the lower of an upper payment limit established by the state Medicaid agency or the actual billed charge:

Skilled Nursing  
Home Health Aide  
Medical Social Service  
Physical, Occupational and Speech Therapy

(2) The payment for enteral nutritional products and disposable medical supplies shall be an interim payment rate established by the state Medicaid agency by calculating the providers total cost to charge ratio for the items as reported on the home health agencies most recent available cost report as of May 31 immediately preceding the rate year. Interim payments shall not exceed the providers charges billed for these items. Interim payments will be settled back to actual cost at the end of the home health agency's fiscal year. Home health agencies that are operated by public providers shall not be settled to the lower of cost or charges. These home health agencies shall be reimbursed their total allowable cost.

(3) Payment to a new home health agency shall be the lesser of billed charges or the statewide upper payment limit established by the state Medicaid agency for all home health services except for enteral nutritional products and disposable medical supplies. Payment to a new home health agency for enteral nutritional products and disposable medical supplies will be seventy (70) percent of the new home health agency's usual and customary actual billed charges. A new home health agency will be held to the seventy (70) percent threshold until a cost report is accepted by the state Medicaid agency no later than May 31 preceding the rate year. Interim payments will be settled back to actual cost at the end of the agency's fiscal year.

(4) Payment to an out of state home health agency shall be the lessor of billed charges or the statewide upper payment limit established by the state Medicaid agency for all home health services except for enteral nutritional products and disposable medical supplies. Payment to an out of state home health agency for enteral nutritional products and disposable medical supplies will be eighty (80) percent of the out of state agency's usual and customary actual billed charges.